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SALUS POPULI SUPREMA LEX ESTO

“The welfare of the people shall be the supreme law.”



JASON KANDER
SECRETARY OF STATE

MISSOURI REGISTER

AUTHORITY: section 29.100, RSMo 2000, and sections 479.360 and 479.362, RSMo Supp. 2015. Original rule filed Sept. 1, 2015. Emergency rule filed Nov. 30, 2015, effective Dec. 10, 2015, expires May 31, 2016.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

**Division 200—Insurance Solvency and Company
Regulation**

**Chapter 11—Control and Management of Insurance
Companies**

EMERGENCY AMENDMENT

20 CSR 200-11.101 Insurance Holding Company System Regulation With Reporting Forms and Instructions. The director is amending the existing sections (2)–(18), adding new sections (13) and (20), renumbering as necessary, amending Forms A–E, and adding Form F.

PURPOSE: This amendment effects changes made to sections 382.010 to 382.300, RSMo, by House Bill 50 (2015), and incorporates revisions to the Insurance Holding Company System Model Regulation with Reporting Forms and Instructions adopted by the National Association of Insurance Commissioners.

*EMERGENCY STATEMENT: This emergency amendment incorporates changes to the law effected by House Bill 50 and changes to the NAIC Insurance Holding Company System Model Regulation with Reporting Forms and Instructions, NAIC Model 450. Adoption of the changes to NAIC Model 450 is set to become an accreditation standard on January 1, 2016. This emergency amendment is necessary to preserve the compelling governmental interest of maintaining department accreditation under the NAIC Financial Regulation Standards and Accreditation Program. Failure to maintain such accreditation would result in other states no longer accepting statutorily-required financial examinations performed by the department, which would significantly increase regulatory compliance costs for Missouri-domiciled insurance companies. A proposed amendment, which covers the same material, is published in this issue of the **Missouri Register**. The scope of this emergency amendment is limited to the circumstances creating the emergency and complies with the protections extended in the **Missouri and United States Constitutions**. The Department of Insurance, Financial Institutions and Professional Registration believes this emergency amendment is fair to all interested persons and parties under the circumstances. This emergency amendment was filed December 1, 2015, becomes effective January 1, 2016, and expires June 29, 2016.*

(2) Forms—General Requirements.

(A) Forms A, B, C, *[and]* D, E, and F are intended to be guides in the preparation of the statements required by sections 382.040–382.230, RSMo. They are not intended to be blank forms which are to be filled in. These statements filed shall contain the numbers and captions of all items, but the text of the items may be omitted provided the answers are prepared in such a manner as to indicate clearly the scope and coverage of the items. All instructions, whether appearing under the items of the form or elsewhere, are to be omitted. Unless expressly provided otherwise, if any item is inapplicable or the answer is in the negative, an appropriate statement to that effect shall be made.

(B) Three (3) complete copies of each Form A statement and one (1) copy of each other statement, including exhibits and all other papers and documents filed as a part of it, shall be filed with the director by personal delivery or mail addressed to: Director of Insurance of the State of Missouri, Attention: Chief Financial Examiner, P.O. Box 690, Jefferson City, MO 65102-0690. *[A copy of Form C shall be filed in each state in which an insur-*

er is authorized to do business, if the director of that state has notified the insurer of its request in writing, in which case the insurer has fifteen (15) days from receipt of the notice to file that form.] At least one (1) of the copies shall be *[manually]* signed in the manner prescribed on the form. Unsigned copies shall be *conf[i]rmed*. If the signature of any person is affixed pursuant to a power of attorney or other authority, the power or other authority also shall be filed with the statement.

(C) If an applicant requests a hearing on a consolidated basis under section 382.060.4, in addition to filing the Form A with the director, the applicant shall file a copy of Form A with the National Association of Insurance Commissioners (NAIC) in electronic form.

[(C)](D) Statements should be prepared *[on paper eight and one-half inches by eleven inches (8 1/2" × 11") in size and preferably bound at the top or the top left-hand corner. Exhibits and financial statements, unless specifically prepared for the filing, may be submitted in their original size. All copies of any statement, financial statements or exhibits shall be clear,]* **electronically.** Statements and exhibits shall be easily readable and suitable for *[photocopying]* **printing, review, and reproduction.** Debits in credit categories and credits in debit categories shall be designed so as to be clearly distinguishable as such on photocopies. Statements shall be in the English language and monetary values shall be stated in United States currency. If any exhibit or other paper or document filed with the statement is in a foreign language, it shall be accompanied by a translation into the English language and any monetary value shown in a foreign currency normally shall be converted into United States currency.

(3) Forms—Incorporation by Reference, Summaries, and Omissions.

(A) Information required by any item of Forms A, B, *[or]* D, E, or F may be incorporated by reference in answer or partial answer to any other item. Information contained in any financial statement, annual report, proxy statement, statement filed with a governmental authority, or any other document may be incorporated by reference in answer or partial answer to any item of Forms A, B, *[or]* D, E, or F provided *[that]* the document *[or paper]* is filed as an exhibit to the statement. Excerpts of documents may be filed as exhibits if the documents are extensive. Documents currently on file with the director which were filed within three (3) years need not be attached as exhibits. References to information contained in exhibits or in documents already on file shall clearly identify the material and shall specifically indicate that this material is to be incorporated by reference in answer to the item. Matter shall not be incorporated by reference in any case where the incorporation would render the statement incomplete, unclear, or confusing.

(B) Where an item requires a summary or outline of the provisions of any document, only a brief statement shall be made as to the pertinent provisions of the document. In addition to this statement, the summary or outline may incorporate by reference particular parts of any exhibit or document currently on file with the director which was filed within three (3) years and may be qualified in its entirety by that reference. In any case where two (2) or more documents required to be filed as exhibits are substantially identical in all material respects except as to the parties **thereto**, the dates of execution or other details, a copy of only one (1) of these documents need be filed with a schedule identifying the omitted documents and setting forth the material details in which these documents differ from the **filed** document *[s a copy of which is filed]*.

(4) Forms—Information Unknown or Unavailable and Extension of Time to Furnish.

[(A)] Information required need to be given only insofar as it is known or reasonably available to the person filing the statement. If any required information is unknown and not reasonably available to the person filing, either because the obtaining would involve unreasonable effort or expense, or because it rests peculiarly within the knowledge of another

person not affiliated with the person filing, the information may be omitted, subject to the following conditions:

1. The person filing shall give information on the subject as s/he possesses or can acquire without unreasonable effort or expense, together with his/her sources; and

2. The person filing shall include a statement either showing that unreasonable effort or expense would be involved or indicating the absence of any affiliation with the person within whose knowledge the information rests and stating the result of a request made to that person for the information.

(B) If it is impractical to furnish any required information, document, or report at the time it is required to be filed, [it may] there shall be filed with the director [as] a separate document [by]—

[1.](A) Identifying the information, document, or report in question;

[2.](B) Stating why the filing at the time required is impractical; and

[3.](C) Requesting an extension of time for filing the information, document, or report to a specified date. The request for extension shall be deemed granted unless the director, within sixty (60) days after receipt, enters an order denying the request.

(5) Forms—Additional Information and Exhibits. In addition to the information expressly required to be included in Forms A, B, C, [and] D, E, and F, there shall be added by exhibits further material information, if any, as may be necessary to make the information contained not misleading. The person filing also may file these exhibits as [s/he may] desired in addition to those expressly required by the statement. These exhibits shall be so marked as to indicate clearly the subject matters to which they refer. Changes to Forms A, B, C, [or] D, E or F shall include on the top of the cover page the phrase: “Change No. (insert number) to” and shall indicate the date of the change and not the date of the original filing.

(6) Definitions.

(A) “The Act” means sections 382.010—382.300, RSMo.

(B) “Executive officer” means chief executive officer, chief operating officer, chief financial officer, treasurer, secretary, controller, and any other individual performing functions corresponding to those performed by the foregoing officers under whatever title.

(C) “Foreign insurer” shall include an alien insurer except where clearly noted otherwise.

(D) “Ultimate controlling person” means that person which is not controlled by any other person.

(E) Unless the context otherwise requires, other terms found in these rules and in section 382.010 of the Act are used **herein** as defined in section 382.010, RSMo. Other nomenclature or terminology is [according to the Insurance Code] used in accordance with Chapters 354 and 374 through 385, RSMo, or industry usage if not defined [by the Code] therein.

(7) Subsidiaries of Domestic Insurers. The authority to invest in subsidiaries under section 382.020 of the Act is in addition to any authority to invest in subsidiaries which may be contained in any other provision of [the Insurance Code] Chapters 354 and 374 through 385, RSMo.

(8) Acquisition of Control—Statement Filing. A person required to file a statement pursuant to sections 382.040, 382.050, and 382.060 of the Act shall furnish the required information on Form A[, hereby made a part of this regulation]. Such person shall also furnish the required information on Form E, [hereby made a part of this regulation and] described in section [(18)] (19) of this regulation.

(9) Amendments to Form A. The applicant shall promptly advise the director of any changes in the information [so] furnished on Form A arising subsequent to the date upon which that information was fur-

nished but prior to the director’s disposition of the application.

(10) Acquisition of Section 382.040.4 Insurers.

(A) If the person being acquired is deemed to be a domestic insurer solely because of the provisions of section 382.040.4 of the Act, the name of the domestic insurer on the cover page should be indicated as follows: ABC Insurance Company, a subsidiary of XYZ Holding Company.

(B) Where a section 382.040.4 insurer is being acquired, references to the insurer contained in Form A shall refer to both the domestic subsidiary insurer and the person being acquired.

(11) Annual Registration of Insurers—Statement Filing. An insurer required to file an annual registration statement pursuant to sections 382.100–382.[160]/180 of the Act shall furnish the required information on Form B[, which follows this rule].

(12) Summary of Registration—Statement Filing. An insurer required to file an annual registration statement pursuant to sections 382.100–382.[160]/180 of the Act is also required to furnish the information required on Form C[, which follows this rule. An insurer shall file a copy of Form C in each state in which the insurer is authorized to do business, if requested by the director of that state].

(13) Amendments to Form B.

(A) Pursuant to section 382.120 of the Act, an amendment to Form B shall be filed within fifteen (15) days after the end of any month in which there is a material change to the information provided in the annual registration statement.

(B) Amendments shall be filed in the Form B format with only those items which are being amended reported. Each amendment shall include at the top of the cover page “Amendment No. [insert number] to Form B for [insert year]” and shall indicate the date of the change and not the date of the original filing.

[(13)](14) Alternative and Consolidated Registrations.

(A) Any authorized insurer may file an annual registration statement on behalf of any affiliated insurer(s) which is required under sections 382.100–382.[160]/180 of the Act. An annual registration statement may include information not required by the Act regarding any insurer in the insurance holding company system even if the insurer is not authorized to do business in this state. In lieu of an annual registration statement on Form B, the authorized insurer may file a copy of the annual registration statement or similar report which it is required to file in its state of domicile, provided—

1. The statement or report contains substantially similar information required to be furnished on Form B; and

2. The filing insurer is the principal insurance company in the insurance holding company system.

(B) The question of whether the filing insurer is the principal insurance company in the insurance holding company system is a question of fact, and an insurer filing an annual registration statement or report in lieu of Form B on behalf of an affiliated insurer[,] shall set forth a brief statement of facts which will substantiate the filing insurer’s claim that it, in fact, is the principal insurer in the insurance holding company system.

(C) With the prior approval of the director, an unauthorized insurer may follow any of the procedures which could be done by an authorized insurer under subsection [(13)](A) [(14)](A).

(D) Any insurer may take advantage of the provisions of section 382.140 or 382.150 of the Act without obtaining the prior approval of the director. The director, however, reserves the right to require individual filings if s/he deems the filings necessary in the interest of clarity, ease of administration, or the public good.

[(14)](15) Disclaimers and Termination of Registration.

(A) A disclaimer of affiliation or a request for termination of registration claiming that a person does not, or will **not** upon the taking of some proposed action, control another person (referred to as the subject) shall contain the following information:

1. The number of authorized, issued, and outstanding voting securities of the subject;

2. With respect to the person whose control is denied and all affiliates of that person, the number and percentage of shares of the subject's voting securities which are held of record or known to be beneficially owned, and the number of the shares concerning which there is a right to acquire, directly or indirectly;

3. All material relationships and bases for affiliation between the subject and the person whose control is denied and all affiliates of that person; **and**

4. A statement explaining why the person should not be *[be]* considered to control the subject.

(B) A request for termination of registration shall be deemed to have been granted unless the director, within thirty (30) days after s/he receives the request, notifies the registrant otherwise.

[(15)](16) Transactions Subject to Prior Notice—Notice Filing.

(A) An insurer required to give notice of a proposed transaction pursuant to section 382.195 of the Act shall furnish the required information on Form *DI*, *which follows this rule*.

(B) **Agreements for cost sharing services and management services shall, at a minimum and as applicable—**

1. **Identify the person providing services and the nature of such services;**

2. **Set forth the methods to allocate costs;**

3. **Require timely settlement, not less frequently than on a quarterly basis, and compliance with the requirements in the *Accounting Practices and Procedures Manual*;**

4. **Prohibit advancement of funds by the insurer to the affiliate except to pay for services defined in the agreement;**

5. **State that the insurer will maintain oversight for functions provided to the insurer by the affiliate and that the insurer will monitor services annually for quality assurance;**

6. **Define books and records of the insurer to include all books and records developed or maintained under or related to the agreement;**

7. **Specify that all books and records of the insurer are and remain the property of the insurer and are subject to control of the insurer;**

8. **State that all funds and invested assets of the insurer are the exclusive property of the insurer, held for the benefit of the insurer, and are subject to the control of the insurer;**

9. **Include standards for termination of the agreement with and without cause;**

10. **Include provisions for indemnification of the insurer in the event of gross negligence or willful misconduct on the part of the affiliate providing the services;**

11. **Specify that, if the insurer is in receivership or seized by the director under sections 375.1150 to 375.1246—**

A. **All of the rights of the insurer under the agreement extend to the receiver or director; and**

B. **All books and records will immediately be made available to the receiver or director and shall be turned over to the receiver or director immediately upon the receiver or director's request;**

12. **Specify that the affiliate has no automatic right to terminate the agreement if the insurer is placed in receivership pursuant to sections 375.1150 to 375.1246; and**

13. **Specify that the affiliate will continue to maintain any systems, programs, or other infrastructure notwithstanding a seizure by the director under sections 375.1150 to 375.1246, and will make them available to the receiver, for so long as the affiliate continues to receive timely payment for services rendered.**

(C) Amendments required to be filed under section 382.195 shall be filed in the Form D format. Each amendment shall include at the top of the cover page "Amendment No. [insert number] to [insert name of agreement]" and shall indicate the effective date of the change.

[(16)](17) Extraordinary Dividends and Other Distributions.

(A) Requests for approval of extraordinary dividends or any other extraordinary distribution to shareholders shall include the following:

1. The amount of the proposed dividend;

2. The date established for payment of the dividend;

3. A statement as to whether the dividend is to be in cash or other property and, if in property, a description of the property, its cost, and its fair market value, together with an explanation of the basis for valuation;

4. A copy of the calculations determining that the proposed dividend is extraordinary. The work paper shall include the following information:

A. The amounts, dates, and form of payment of all dividends or distributions (including regular dividends but excluding distributions of the insurer's own securities) paid within the period of twelve (12) consecutive months ending on the date fixed for payment of the proposed dividend for which approval is sought and commencing on the day after the same day of the same month in the last preceding year;

B. Surplus as regards policyholders (total capital and surplus) as of December 31 next preceding;

C. If the insurer is a life insurer, the net gain from operations for the twelve- (12-)/- month period ending December 31 next preceding; *[and]*

D. **If the insurer is a property and casualty insurer, the net income for the twelve- (12-) month period ending December 31 next preceding;**

[D./E.] If the insurer is not a life insurer **or a property and casualty insurer**, the net investment income for the twelve- (12-)/- month period ending December 31 next preceding and the two (2) preceding twelve- (12-)/- month periods; **and**

F. **If the insurer is not a life insurer, the dividends paid to stockholders in the two (2) preceding twelve- (12-) month periods, excluding distributions of the insurer's own securities;**

5. A balance sheet and statement of income for the period intervening from the last annual statement filed with the director and the end of the month preceding the month in which the request for dividend approval is submitted; and

6. A brief statement as to the effect of the proposed dividend upon the insurer's surplus and the reasonableness of surplus in relation to the insurer's outstanding liabilities and the adequacy of surplus relative to the insurer's financial needs.

(B) Subject to section 382.210 of the Act, each registered insurer shall report to the director all dividends and other distributions to shareholders within fifteen (15) business days following the declaration, including the same information required by *[subparagraphs (16)](A)4.A.–D]* **paragraph (17)(A)4.**

[(17)](18) Adequacy of Surplus. The factors set forth in section 382.200 of the Act are not intended to be an exhaustive list. In determining the adequacy and reasonableness of an insurer's surplus, no single factor is necessarily controlling. The director~~/,~~ instead~~/,~~ will consider the net effect of all of these factors plus other factors bearing on the financial condition of the insurer. In comparing the surplus maintained by other insurers, the director will consider the extent to which each of these factors varies from company-to-company and in determining the quality and liquidity of investments in subsidiaries, the director will consider the individual subsidiary and may discount or disallow its valuation to the extent that the individual investments so warrant.

~~[(18)](19)~~ Pre-Acquisition Notification. If a domestic insurer, including any person controlling a domestic insurer, is proposing a merger or acquisition pursuant to the provisions of section 382.040.1 of the Act and is required by such section to file a pre-acquisition notification, that person shall file a pre-acquisition notification form, Form E, which was developed pursuant to section 382.095.3 of the Act. Additionally, if a non-domiciliary insurer licensed to do business in this state is proposing a merger or acquisition pursuant to section 382.095 of the Act, that person shall file a pre-acquisition notification form, Form E. No pre-acquisition notification form need be filed if the acquisition is beyond the scope of section 382.095 as set forth in section 382.095.2(1)-~~[(7)](6)~~. In addition to the information required by Form E, the director may wish to require an expert opinion as to the competitive impact of the proposed acquisition.

(20) Enterprise Risk Report. The ultimate controlling person of an insurer required to file an enterprise risk report pursuant to section 382.175 of the Act shall furnish the required information on Form F.

FORM A

Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer

(Name of Domestic Insurer)

by

(Name of Acquiring Person (Applicant))

Filed with the Insurance Department of

(State of domicile of insurer being acquired)

Dated: _____, _____

Name, title, **mailing** address, **e-mail** address, and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:

Item 1. Insurer and Method of Acquisition.

State the name and address of the domestic insurer to which this application relates and a brief description of how control is to be acquired.

Item 2. Identity and Background of the Applicant.

(a) State the name and address of the applicant seeking to acquire control over the insurer.

(b) If the applicant is not an individual, state the nature of its business operations for the past five (5) years, or for **such** lesser period as the applicant person and any of its predecessors *[thereof]* shall have been in existence. Briefly describe the business intended to be done by the applicant and the applicant's subsidiaries.

(c) Furnish a chart or list clearly presenting the identities of **and** the interrelationships among the applicant and all affiliates of the applicant. *[No affiliate need be identified if its total assets are equal to less than one-half (1/2) of one percent (1%) of the total assets of the ultimate controlling person affiliated with the applicant.]* Indicate in the chart or listing the percentage of voting securities of each such person which is owned or controlled by the applicant or by any other such person. If control of any person is

maintained other than by the ownership or control of voting securities, indicate the basis of such control. As to each person specified in such chart or listing, indicate the type of organization (for example, corporation, trust, partnership) and the state or other jurisdiction of domicile. If court proceedings involving a reorganization or liquidation are pending with respect to any such person, *[and]* set forth the title of the court, nature of proceedings, and the date when commenced.

Item 3. Identity and Background of Individuals Associated With the Applicant.

On the biographical affidavit, include a third party background check, and /S/state, or with respect to (e) have provided to the department, the following with respect to—1) the applicant if s/he is an individual or 2) all persons who are directors, executive officers, or owners of ten percent (10%) or more of the voting securities of the applicant if the applicant is not an individual:

(a) Name and business address;

(b) Present principal business activity, occupation, or employment, including position and office held and the name, principal business, and address of any corporation or other organization in which the employment is carried on;

(c) Material occupations, positions, offices, or employment during the last five (5) years, giving the starting and ending dates of each and the name, principal business, and address of any business operation or other corporation in which each such occupation, position, office, or employment was carried on; if any such occupation, position, office, or employment required licensing by or registration with any federal, state, or municipal governmental agency, indicate such fact, the current status of the licensing or registration, and an explanation of any surrender, revocation, suspension, or disciplinary proceedings in connection with the licensing or registration;

(d) Whether or not such person has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten (10) years and, if so, give the date, nature of conviction, name and location of court, and penalty imposed or other disposition of the case;

(e) A *[business character report from Owens Online, Inc., or such other]* character report from *[such other]* an independent third party *[as the director approves in writing with respect to the specific Form A]* listed in the **Independent Third Parties for Furnishing Background Investigation Reports in All States document, or its successor, maintained by the National Association of Insurance Commissioners.**

Item 4. Nature, Source, and Amount of Consideration.

(a) Describe the nature, source, and amount of funds or other considerations used or to be used in effecting the merger or other acquisition of control. If any part of the same is represented or is to be represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding, or trading securities, furnish a description of the transaction, the names of the parties to the transaction, the relationship, if any, between the borrower and the lender, the amounts borrowed or to be borrowed, and copies of all agreements, promissory notes, and security arrangements relating thereto.

(b) Explain the criteria used in determining the nature and amount of such consideration.

(c) If the source of the consideration is a loan made in the lender's ordinary course of business and if the applicant wishes the identity of the lender to remain confidential, s/he must specifically request that the identity be kept confidential.

Item 5. Future Plans of Insurer.

Describe any plans or proposals which the applicant may have to declare an extraordinary dividend, to liquidate such insurer, to sell its assets to or merge it with any person or persons, or to make any

(Title)

CERTIFICATION

The undersigned deposes and says that s/he has duly executed the attached application dated _____, _____, for and on behalf of _____;

(Name of Applicant)

that s/he is the _____
(Title of Officer)
of _____
(Name of Company)

and that s/he is authorized to execute and file such instrument. Deponent further says that s/he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information, and belief.

(Signature)

(Type or print name)

FORM B

**Insurance Holding Company System
Annual Registration Statement**

Filed with the Insurance Department of the state of _____

by _____

(Name of Registrant)

On behalf of following insurance companies:
Name _____

Address _____

Date _____, _____.

Name, title, **mailing** address, **e-mail** address, and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:

Item 1. Identity and Control of Registrant.

Furnish the exact name of each insurer registering or being registered (after this called the registrant), the home office address and principal executive offices of each; the date on which each registrant became part of the insurance holding company system; and the method(s) by which control of each registrant was acquired and is maintained.

Item 2. Organizational Chart.

Furnish a chart or listing clearly presenting the identities of and interrelationships among all affiliated persons with the insurance holding company system. *[No affiliate need be shown if its total assets are equal to less than one-half (1/2) of one percent (1%) of the total assets of the ultimate controlling person within the insurance holding company system unless it has assets valued at or exceeding (insert amount).]* The chart or listing should show the percentage of each class of voting securities of each affiliate which is owned, directly or indirectly, by another affiliate. If control of any person within the system is maintained other than by the ownership or control of voting securities, indicate the basis of the control. As to each person specified in the chart or listing indicate the type of organization (for example, corporation,

trust, partnership) and the state or other jurisdiction of domicile.

Item 3. The Ultimate Controlling Person.

As to the ultimate controlling person in the insurance holding company system, furnish the following information:

- (a) Name;
- (b) Home office address;
- (c) Principal executive office address;
- (d) The organizational structure of the person, that is, corporation, partnership, individual, trust, etc;
- (e) The principal business of the person;
- (f) The name and address of any person who holds or owns ten percent (10%) or more of any class of voting security, the class of such security, the number of shares held of record or known to be beneficially owned, and the percentage of class so held or owned; and
- (g) If court proceedings involving a reorganization or liquidation are pending, indicate the title and location of the court, the nature of proceedings, and the date when commenced.

Item 4. Biographical Information.

If the ultimate controlling person is a corporation, an organization, a limited liability company, or other legal entity, [F/furnish the following information for the directors and executive officers of the ultimate controlling person: *[the]* each individual's name and address, his/her principal occupation and all offices and positions held during the past five (5) years, and any conviction of crimes other than minor traffic violations *[during the past ten (10) years]*. If the ultimate controlling person is an individual, furnish the individual's name and address, his or her principal occupation and all offices and positions held during the past five (5) years, and any conviction of crimes other than minor traffic citations.

Item 5. Transactions and Agreements.

Briefly describe the following agreements in force[,] and transactions currently outstanding or which have occurred during the last calendar year between the registrant and its affiliates:

- (a) Loans, other investments, or purchases, sales, or exchanges of securities of the affiliates by the registrant or of the registrant by its affiliates;
- (b) Purchases, sales, or exchanges of assets;
- (c) Transactions not in the ordinary course of business;
- (d) Guarantees or undertakings for the benefit of an affiliate which result in an actual contingent exposure of the registrant's assets to liability, other than insurance contracts entered into in the ordinary course of the registrant's business;
- (e) All management agreements, service contracts, *[tax allocation arrangements,]* and cost-sharing arrangements;
- (f) Reinsurance agreements;
- (g) Dividends and other distributions to shareholders;
- (h) *[Consolidation]* **Consolidated** tax allocation agreements; and
- (i) Any pledge of the registrant's stock, the stock of any subsidiary or controlling affiliate, or both, for a loan made to any member of the insurance holding company system.

No information need be disclosed if such information is not material for purposes of sections 382.100-382.160/180 of the Act.

Sales, purchases, exchanges, loans or extension of credit, investments or guarantees involving one-half (1/2) of one percent (1%) or less of the registrant's admitted assets as of the 31st day of December next preceding shall not be deemed material. *[[Note: the director by rule or order may provide otherwise.]]*

The description shall be in a manner as to permit the proper evaluation by the director, and shall include at least the following: the nature and purpose of the transaction, the nature and amounts of any payments or transfers of assets between the parties, the identity of all parties to such transaction, and relationships of the affiliated parties to the registrant.

Item 6. Litigation or Administrative Proceedings.

A brief description of any litigation or administrative proceedings of the following types, either then pending or concluded within the preceding fiscal year, to which the ultimate controlling person or any of its directors or executive officers was a party, or of which the property of any such person is or was the subject; give the names of the parties and the court or agency in which the litigation or proceeding is or was pending:

(a) Criminal prosecutions or administrative proceedings by any government agency or authority which may be relevant to the trustworthiness of any party to the prosecutions or proceedings; and

(b) Proceedings which may have a material effect upon the solvency or capital structure of the *[ultimate]* insurance holding company system including, but not necessarily limited to, bankruptcy, receivership, or other corporate reorganizations.

Item 7. Statement Regarding Plan or Series of Transactions.

The insurer shall furnish a statement that transactions entered into since the filing of the prior year's annual registration statement are not part of a plan or series of like transactions, the purpose of which is to avoid statutory threshold amounts and the review that might otherwise occur.

Item 8. Financial Statements and Exhibits.

(a) Financial statements and exhibits should be attached to this statement as an appendix, but list under this item the financial statements and exhibits so attached.

(b) **If the ultimate controlling person is a corporation, an organization, a limited liability company, or other legal entity, [T]the financial statements shall include the annual financial statements of the ultimate controlling person in the holding company system as of the end of the person's latest fiscal year.**

(c) If at the time of the initial registration, the annual financial statements for the latest fiscal year are not available, annual statements for the previous fiscal year may be filed and similar financial information shall be filed for any subsequent period to the extent such information is available. These financial statements may be prepared on either an individual basis, or unless the director otherwise requires, on a consolidated basis, if such consolidated statements are prepared in the usual course of business.

(d) Other than with respect to the foregoing, such financial statement shall be filed in a standard form and format adopted by the National Association of Insurance Commissioners, unless an alternative form is accepted by the director. Documentation and financial statements filed with the Securities and Exchange Commission or audited GAAP financial statements shall be deemed to be an appropriate form and format.

[(d)](e) Unless the director otherwise permits, the annual financial statements shall be accompanied by the certificate of an independent public accountant to the effect that the *[se]* statements present fairly the financial position of the ultimate controlling person and the results of its operations for the year then ended, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law. If the ultimate controlling person is an insurer which is actively engaged in the business of insurance, the annual financial statements need not be certified, provided they are based on the annual statement *[of]* such insurer filed with the insurance department of the insurer's domiciliary state and are in accordance with requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of such state.

(f) Any ultimate controlling person who is an individual may file personal financial statements that are reviewed rather than audited by an independent public accountant. The review shall be conducted in accordance with standards for review of personal financial statements published in the *Personal Financial Statements Guide* by the American Institute of Certified Public Accountants. Personal financial statements shall be accompanied by the independent public accountant's Standard Review Report

stating that the accountant is not aware of any material modifications that should be made to the financial statements in order for the statements to be in conformity with generally accepted accounting principles.

[(e)](g) Exhibits shall include copies of the latest annual reports to shareholders of the ultimate controlling person and proxy materials used by the ultimate controlling person; and any additional documents or papers required by Form B or 20 CSR 200-11.101(2) and (4).

Item 9. Statement Regarding Corporate Governance and Internal Controls

Furnish statements that the insurer's board of directors oversees corporate governance and internal controls and that the insurer's officers or senior management have approved, implemented, and continue to maintain and monitor corporate governance and internal control procedures.

Item *[9./10]*. Form C Required.

A Form C, Summary of **Changes** to Registration Statement, must be prepared and filed with this Form B.

Item *[10./11]*. Signature and Certification.

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of sections 382.100–382.*[160/180]* of the Act, the Registrant has caused this annual registration statement to be duly signed on its behalf in the City of _____ and the State of _____ on the _____ day of _____, _____.
(SEAL)

(Name of Registrant)

by

(Name)

(Title)

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and says that s/he has duly executed the attached annual registration statement dated _____, _____, for and on behalf of _____;
(Name of Officer)

that s/he is the _____
(Title of Officer)

of _____
(Name of Company)

and that s/he is authorized to execute and file such instrument. Deponent further says that s/he is familiar with such instrument and

the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information, and belief.

(Signature)

(Type or print name)

FORM C

Summary of Changes to Registration

STATEMENT

Filed with the Insurance Department of the State of

by

(Name of Registrant)

On behalf of following insurance companies:

Name	Address
_____	_____
_____	_____
_____	_____
_____	_____

Date _____, _____

Name, title, **mailing** address, **e-mail** address, and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:

Furnish a brief description of all items in the current annual registration statement which represent changes from the prior year's annual registration statement. The description shall be in a manner as to permit proper evaluation by the director, and shall include specific references to Item numbers in the annual registration statement and to the terms contained in the statement.

Changes occurring under Item 2[.] of Form B insofar as changes in the percentage of each class of voting securities held by each affiliate is concerned, need only be included where such changes are ones which result in ownership or holdings of ten percent (10%) or more of voting securities, loss or transfer of control, or acquisition or loss of partnership interest.

Changes occurring under Item 4[.] of Form B need only be included where [—] an individual is, for the [next] first time, made a director or executive officer of the ultimate controlling person; a director or executive officer terminates his/her responsibilities with the ultimate controlling person; or in the event an individual is named president of the ultimate controlling person.

If a transaction disclosed on the prior year's annual registration statement has been changed, the nature of this change shall be included. If a transaction disclosed on the prior year's annual registration statement has been effectuated, furnish the mode of completion and any flow of funds between affiliates resulting from the transaction.

The insurer shall furnish a statement that transactions entered into since the filing of the prior year's annual registration statement are not part of a plan or series of like transactions whose purpose it is to avoid statutory threshold amounts and the review that might otherwise occur.

SIGNATURE AND CERTIFICATION

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of sections 382.100–382.160/180 of the Act, the Registrant has caused this summary of registration statement to be duly signed on its behalf in the City of _____ and the State of _____ on the _____ day of _____, _____.
(SEAL)

(Name of Registrant)

by

(Name)

(Title)

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and says that s/he has duly executed the attached summary of registration statement dated _____, _____, for and on behalf of _____ that s/he is the

(Name of Officer)

(Title of Officer)

(Name of Company)

that s/he is authorized to execute and file such instrument. Deponent further says that s/he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information, and belief.

(Signature)

(Type or print name beneath)

FORM D

Prior Notice of a Transaction

Filed with the Insurance Department of the State of

by

(Name of Registrant)

On behalf of the following insurance companies:

Name	Address
_____	_____
_____	_____
_____	_____
_____	_____

Date: _____, _____

Name, title, **mailing** address, **e-mail** address, and telephone number of individual to whom notices and correspondence concerning this

statement should be addressed:

Item 1. Identity of Parties to Transaction.

Furnish the following information for each of the parties to the transaction:

- (a) Name;
- (b) Home office address;
- (c) Principal executive **office address**;
- (d) The organizational structure, that is, corporation, partnership, individual, trust, etc;
- (e) A description of the nature of the parties' business operations;
- (f) Relationship, if any, of other parties to the transaction to the insurer filing the notice, including any ownership or debtor/creditor interest by any other parties to the transaction in the insurer seeking approval, or by the insurer filing the notice in the affiliated parties; and
- (g) Where the transaction is with a nonaffiliate, the name(s) of the affiliate(s) which will receive, in whole or in substantial part, the proceeds of the transaction.

Item 2. Description of the Transaction.

Furnish the following information for *[each]* the transaction for which notice is being given:

- (a) A statement as to whether notice is being given under section 382.195.1(1), (2), (3), (4), **(5), (6), or [(5)] (7)** of the Act;
- (b) A statement of the nature of the transaction; *[and]*
- (c) **A statement of how the transaction meets the fair and reasonable standard of section 382.190(1) of the Act; and**
- [(c)]*(d) The proposed effective date of the transaction.

Item 3. Sales, Purchases, Exchanges, Loans, Extensions of Credit, Guarantees, or Investments.

Furnish a brief description of the amount and source of funds, securities, property or other consideration for the sale, purchase, exchange, loan, extension of credit, guarantee, or investment, whether any provision exists for purchase by the insurer filing notice, by any party to the transaction, or by any affiliate of the insurer filing notice, a description of the terms of any securities being received, if any, and a description of any other agreements relating to the transaction such as contracts or agreements for services, consulting agreements and the like. If the transaction involves **consideration** other than cash, furnish a description of the consideration, its cost, and its fair market value, together with an explanation of the basis for *[e]*valuation.

If the transaction involves a loan, extension of credit, or a guarantee, furnish a description of the maximum amount which the insurer will be obligated to make available under such loan, extension of credit, or guarantee, the date on which the credit or guarantee will terminate, and any provisions for the accrual of or deferral of interest.

If the transaction involves *[an]* investments, guarantees, or other arrangements, state the time period during which the investments, guarantees, or other arrangements will remain in effect, together with any provisions for extensions or renewals of these investments, guarantees, or **other** arrangements. Furnish a brief statement as to the effect of the transaction upon the insurer's surplus.

No notice need be given if the maximum amount which at any time can be outstanding or for which the insurer can be legally obligated under the loan, extension of credit, or guarantee is less than—

- (a) In the case of nonlife insurers, the lesser of three percent (3%) of the insurer's admitted assets or twenty-five percent (25%) of surplus as regards policyholders; or
- (b) In the case of life insurers, three percent (3%) of the insurer's admitted assets, each as of the 31st day of December next preceding.

Item 4. Loans or Extensions of Credit to a Nonaffiliate.

If the transaction involves a loan or extension of credit to any person who is not an affiliate, furnish a brief description of the agree-

ment or understanding where the proceeds of the proposed transaction, in whole or in substantial part, are to be used to make loans or extensions of credit to, to purchase the assets of, or to make investments in, any affiliate of the insurer making these loans or extensions of credit, and specify in what manner the proceeds are to be used to loan to, extend credit to, purchase assets of, or make investments in any affiliate. Describe the amount and source of funds, securities, property, or other consideration for the loan or extension of credit and, if the transaction is one involving consideration other than cash, a description of its cost and its fair market value, together with an explanation of the basis for *[e]*valuation. Furnish a brief statement as to the effect of the transaction upon the insurer's surplus.

No notice need be given if the loan or extension of credit is one which equals less than, in the case of *[nonlife]* **non-life** insurer~~['s]~~, the lesser of three percent (3%) of the insurer's admitted assets or twenty-five percent (25%) of surplus as regards policyholders or, with respect to life insurers, three percent (3%) of the insurer's admitted assets, each as of the 31st day of December next preceding.

Item 5. Reinsurance.

If the transaction is a reinsurance agreement or modification *[to it/ thereto]*, as described by section 382.195.1(3)(b) of the Act, **or a reinsurance pooling agreement or modification thereto as described by section 382.195.1(3)(a) of the Act**, furnish a description of the known~~[,]~~ **and/or** estimated amount of liability *[or else]* to be ceded~~[,]~~ **and/or** *[both]* assumed in each calendar year, the period of time during which the agreement will be in effect, and a statement whether an agreement or understanding exists between the insurer and nonaffiliate to the effect that any portion of the assets constituting the consideration for the agreement will be transferred to one (1) or more of the insurer's affiliates. Furnish a brief description of the consideration involved in the transaction~~[,]~~ and brief statement as to the effect of the transaction~~[,]~~ upon the insurer's surplus.

No notice need be given for reinsurance agreements or modifications *[to them/ thereto]* if the reinsurance premium or a change in the insurer's liabilities, **or the projected reinsurance premium or change in the insurer's liabilities in any of the next three years**, in connection with the reinsurance agreement or modification *[to it/ thereto]* is less than five percent (5%) of the insurer's surplus as regards policyholders, as of the 31st day of December next preceding. **Notice shall be given for all reinsurance pooling agreements including modifications thereto.**

Item 6. Management Agreements, Service Agreements, Tax Allocation *[Arrangements]* **Agreements**, and Cost-Sharing Arrangements.

For management and service agreements, furnish—

- (a) A brief description of the managerial responsibilities~~[,]~~ or services to be performed; and
- (b) A brief description of the agreement, including a statement of its duration, together with brief descriptions of the basis for compensation and the terms under which payment or compensation is to be made;

For tax allocation *[arrangements]* **agreements** and cost-sharing arrangements, furnish—

- (a) A brief description of the purpose of the agreement **or arrangement**;
- (b) A description of the period of time during which the agreement **or arrangement** is to be in effect;
- (c) A brief description of each party's expenses or costs covered by the agreement **or arrangement**; and
- (d) A brief description of the accounting basis to be used in calculating each party's costs under the agreement~~[,]~~ **or arrangement**;
- (e) **A brief statement as to the effect of the transaction upon the insurer's policyholder surplus;**
- (f) **A statement regarding the cost allocation methods that specifies whether proposed charges are based on cost or market. If market based, furnish rationale for using market instead of cost, including justification for the company's determination that amounts are fair and reasonable; and**

(g) A statement regarding compliance with the NAIC *Accounting Practices and Procedures Manual* regarding expense allocation.

Item 7. Signature and Certification.

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of section 382.195 of the Act _____ has caused this application to be duly signed on its behalf in the City of _____ and State of _____ on the _____ day of _____, _____.

(SEAL)

(Name of Applicant)
by

(Name)

(Title)

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and says that s/he has duly executed the attached notice dated _____, _____, for and on behalf of _____

(Name of Officer)

that s/he is the _____ of _____

(Title of Officer)

(Name of Company)

and that s/he is authorized to execute and file such instrument. Deponent further says that s/he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information, and belief.

(Signature)

(Type or print name)

FORM E

**Pre-Acquisition Notification Form
Regarding [T]/the Potential Competitive Impact
of a Proposed Merger or Acquisition by a
Non-Domiciliary Insurer Doing Business in this
State or by a Domestic Insurer**

(Name of Applicant)

(Name of Other Person Involved in Merger or Acquisition)

Filed with the Insurance Department of the State of _____ [by _____
(Name of Registrant)]

Name, title, mailing address, e-mail address, and telephone number of person completing this statement:

Item 1. Name and Address.

State the names and addresses of the persons who hereby provide notice of their involvement in a pending acquisition or change in corporate control.

Item 2. Name and Addresses of Affiliated Companies.

State the names and addresses of the persons affiliated with those listed in Item 1. Describe their affiliations.

Item 3. Nature and Purpose of The Proposed Merger or Acquisition.

State the nature and purpose of the proposed merger or acquisition.

Item 4. Nature of Business.

State the nature of the business performed by each of the persons identified in response to Item 1 and Item 2.

Item 5. Market and Market Share.

State specifically what market and market share in each relevant insurance market the persons identified in Item 1 and Item 2 currently enjoy in this state. Provide historical market and market share data for each person identified in Item 1 and Item 2 for the past five (5) years and identify the source of such data. **Provide a determination as to whether the proposed acquisition or merger, if consummated, would violate the competitive standards of the state as stated in section 382.095.4 of the Act. If the proposed acquisition or merger would violate competitive standards, provide justification of why the acquisition or merger would not substantially lessen competition or create a monopoly in the state.**

For purposes of this question, market means direct written insurance premium in this state for a line of business as contained in the annual statement required to be filed by insurers licensed to do business in this state.

Item 6. Signature and Certification.

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of sections 382.040.3 and 382.095 of the Act _____

has caused this application to be duly signed on its behalf in the City of _____ and State of _____ on the _____ day of _____, _____.

(SEAL)

(Name of Applicant)
by

(Name)

(Title)

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and says that s/he has duly executed the attached notice dated _____, _____, for and on behalf of _____ that

(Name of Officer)

s/he is the _____ of _____

(Title of Officer)

(Name of Company)

and that s/he is authorized to execute and file such instrument. Deponent further says that s/he is familiar with such instrument

and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information, and belief.

(Signature)

(Type or print name)

FORM F

Enterprise Risk Report

Filed with the Insurance Department of the State of _____ by _____
(Name of Registrant/Applicant)

On behalf of/related to the following insurance companies:

Name _____ Address _____

Date _____, _____

Name, title, mailing address, e-mail address, and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:

Item 1. Enterprise Risk.

(1) The registrant/applicant, to the best of its knowledge and belief, shall provide information regarding the following areas that could produce enterprise risk as defined in section 382.010(4) of the Act, provided such information is not disclosed in the Insurance Holding Company System Annual Registration Statement filed on behalf of itself or another insurer for which it is the ultimate controlling person:

(A) Any material developments regarding strategy, internal audit findings, compliance, or risk management affecting the insurance holding company system;

(B) Acquisition or disposal of insurance entities and reallocation of existing financial or insurance entities within the insurance holding company system;

(C) Any changes of shareholders of the insurance holding company system exceeding ten percent (10%) or more of voting securities;

(D) Developments in various investigations, regulatory activities, or litigation that may have a significant bearing or impact on the insurance holding company system;

(E) Business plan of the insurance holding company system and summarized strategies for the next twelve (12) months;

(F) Identification of material concerns of the insurance holding company system raised by the supervisory college, if any, in last year;

(G) Identification of insurance holding company system capital resources and material distribution patterns;

(H) Identification of any negative movement, or discussions with rating agencies which may have caused, or may cause, potential negative movement in the credit ratings and individual insurer financial strength ratings assessment of the insurance holding company system, including both the rating score and outlook;

(I) Information on corporate or parental guarantees throughout the holding company and expected sources of liquidity should such guarantees be called upon; and

(J) Identification of any material activity or development of the insurance holding company system that, in the opinion of

senior management, could adversely affect the insurance holding company system.

(2) The registrant/applicant may attach the appropriate form most recently filed with the U.S. Securities and Exchange Commission, provided the registrant/applicant includes specific references to those areas listed in Item 1 for which the form provides responsive information. If the registrant/applicant is not domiciled in the U.S., it may attach its most recent public audited financial statement filed in its country of domicile, provided the registrant/applicant includes specific references to those areas listed in Item 1 for which the financial statement provides responsive information.

Item 2. Obligation to Report. If the registrant/applicant has not disclosed any information pursuant to Item 1, the registrant/applicant shall include a statement affirming that, to the best of its knowledge and belief, it has not identified enterprise risk subject to disclosure pursuant to Item 1.

Item 3. Signature and Certification.

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of section 382.175 of the Act _____ has caused this application to be duly signed on its behalf in the City of _____ and State of _____ on the _____ day of _____, _____.
(SEAL)

(Name of Applicant)

by

(Name)

(Title)

Attest:

(Signature of Officer)

(Title)

AUTHORITY: section[s] 374.045, RSMo Supp. 2013, and section 382.240, RSMo 2000. Original rule filed April 29, 1992, effective Dec. 3, 1992. Amended: Filed Nov. 23, 1998, effective July 30, 1999. Amended: Filed June 14, 2001, effective Dec. 30, 2001. Amended: Filed April 17, 2006, effective Oct. 30, 2006. Emergency amendment filed Dec. 1, 2015, effective Jan. 1, 2016, expires June 29, 2016. A proposed amendment covering this same material is published in this issue of the Missouri Register.